UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/074,386	02/12/2002	Barry S. McAuliffe	BLU.0002US	5570

21906 7590 05/20/2010
TROP, PRUNER & HU, P.C.
1616 S. VOSS ROAD, SUITE 750
HOUSTON, TX 77057-2631

EXAMINER	
DURAN, ARTHUR D	

ART UNIT	PAPER NUMBER
3622	

MAIL DATE	DELIVERY MODE
05/20/2010	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No.	Applicant(s)	
	10/074,386	MCAULIFFE ET AL.	
	Examiner	**Art Unit**	
	Arthur Duran	3622	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE _3_ MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on _5/11/10_.

2a)☒ This action is **FINAL**. 2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) _1-9,11,12 and 15-42_ is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) _1-9,11,12 and 15-42_ is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☐ Notice of References Cited (PTO-892)

2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3) ☐ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _____.

4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .

5) ☐ Notice of Informal Patent Application

6) ☐ Other: _____.

DETAILED ACTION

Claims 1-9,11,12 and 15-42 are examined.

Response to Amendment

The Remarks filed on 5/11/2010 is sufficient to overcome the prior rejection. However, a new 103 rejection has been made.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 1-9, 11, 12, 15-29, 32, 34-37, 39, and 41-42, are rejected under 35 U.S.C. 103(a) as being unpatentable over Sullivan et al. (US 2001/0018665 A1) in view of Mitchell (7,496,525) in view of Hisamatsu (20020007328).

Regarding claim 1, 15, 29, and 36, Sullivan et al. teaches of a system and method for administering promotions between manufacturers and retailers. (Sullivan et al., Title, Abstract). Sullivan et al. teaches of "recording, capturing, tracking, reporting, monitoring, verifying and settling product promotions." (Sullivan et al., Summary of the Invention, [0019]). That system then determines if the retailer sold a manufacturers product, and if so, executes payment (ie. an incentive) from the retailer to the manufacturer. (Sullivan et al., Summary of the Invention, [0021]). Sullivan et al. teaches of a system where the assumption is that the manufacturer is different from the seller. (Sullivan et al., Summary of the Invention).

Sullivan further discloses a manufacturer system, retailer system (Fig. 1); and promotions and agreements involving manufacturers and retailers (Fig. 2a).

Also, Sullivan et al. teaches of a database on a computer determines the incentive based on specific products. (Sullivan et al., Detailed Description, [0072]). Sullivan et al. teaches that the computer is used to determine the amount due to the manufacturer. (Sullivan et al., Detailed Description, [0097]).

Sullivan et al. does not explicitly teach of determining if the manufacturer is the seller or of only paying the incentive if the manufacturer is not the seller to the end user. Sullivan does not explicitly disclose compensating a manufacturer where a seller owns the products for sale. . .wherein the seller is not also the manufacturer of the purchased product.

Additionally, on 9/25/09, Applicant added the following new features: "distributing the manufacturer incentive to the manufacturer, <u>wherein the products were previously sold by the manufacturer in a first sale transaction and the manufacturer incentive is distributed as a result of the subsequent sale transaction"</u>.

Sullivan does not explicitly disclose wherein the products were previously sold by the manufacturer in a first sale transaction and the manufacturer incentive is distributed as a result of the subsequent sale transaction. Note that this can be interpreted as the manufacturer selling the product to the seller/retailer, then the seller/retailer selling the product to the end shopper, then the manufacturer receiving an incentive after the seller/retailer sale to the end user.

However, Mitchell further discloses wherein the products were previously sold by the manufacturer in a first sale transaction and the manufacturer incentive is distributed as a result of the subsequent sale transaction (Note that this can be interpreted as the manufacturer selling the product to the seller/retailer, then the seller/retailer selling the product to the end shopper, then the manufacturer receiving an incentive after the seller/retailer sale to the end user). Mitchell discloses these features (Figs. 5, 4, 7, 9, 1; claim 1, 18; Abstract; 2:1-22). Note in these citations that it is an "independent retailer". Also, note that the inventory for the product is separately kept at the distributor or retailer. Therefore, the distributor has the product separately obtained from the manufacturer before the product is sold to the end customer. Hence, in Mitchell, the product goes from the manufacturer to an distributor/retailer then to an end shopper (Figs. 8, 9). And, note that the manufacturer receives the incentive in the form of money that is provided for each item that is sold at the end retailer/distributor. Therefore, it would have been obvious to one of ordinary skill in the art, at the time of the invention, that the manufacturer can provide the product to a retailer/seller who provides the product to an end user and that the manufacturer can be compensated after a sale by the retailer/seller. One would have been motivated to do this to better maximize profits for all parties involved (as noted in Mitchell).

Sullivan does not explicitly disclose a manufacturer incentive or incentive going to the manufacturer. However, the money in Mitchell going back to the manufacturer after a sale (Fig. 9) functions as a manufacturer incentive. As a further example of this, Hisamatsu discloses excess profits after successful sales being reward back to the

manufacturer (Fig. 9; Fig. 9, items s9, s13, s15; [85, 93,14,16]). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to add sharing excess profits back to the manufacturer as a manufacturer incentive. One would have been motivated to do this in order to better incite the manufacturer to make products that are successfully sold.

Additionally, on 5/11/10, Applicant added the following new features to the independent claims:

"determining the product was purchased in a second sale transaction between the first purchaser and the seller, wherein the first purchaser is not also the manufacturer of the purchased product and wherein the purchased product is excess inventory to the first purchaser;...

distributing the manufacturer incentive solelv to the manufacturer, wherein the manufacturer incentive is distributed as a result of the third sale transaction, wherein the first purchaser, seller and purchaser do not receive an incentive from the third sale transaction.".

On page 8 of Applicant Remarks dated 5/11/10, Applicant states that the prior art does not render obvious, "a method for the purchase and sale of products that distributes a manufacturer incentive solely to the manufacturer of a product as a result of a third sale transaction."

Sullivan does not explicitly disclose three sale transactions. However, Sullivan discloses manufacturers, distributors, retailers, and consumers ([2, 45]). And, Mitchell discloses manufacturer, distributor, retailer and consumer and that sales occur between

each level down to the end consumer (Figs. 1, 5, 4, 7). Hence, there are three sales transactions in Mitchell (from manufacturer to distributor then distributor to retailer then retailer to end consumer). Hence, it is obvious that sales can occur between the different parties Sullivan discloses such that there are three sales transactions. One would be motivated to do this to take better advantage of separate roles with the common supply chain of manufacturer, distributor, retailer, consumer.

Sullivan does not explicitly disclose a manufacturer incentive or incentive going to the manufacturer. However, credit in Mitchell going back to the manufacturer after a sale (Fig. 9) functions as a manufacturer incentive. As a further example of this, Hisamatsu discloses excess profits after successful sales being reward back to the manufacturer (Fig. 9; Fig. 9, items s9, s13, s15; [85, 93,14,16]). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to add sharing excess profits back to the manufacturer as a manufacturer incentive. One would have been motivated to do this in order to better incite the manufacturer to make products that are successfully sold.

Sullivan does not explicitly disclose inventory or excess inventory. However, Mitchell discloses sales (as shown above) and tracking inventory at different levels including the distributor level (claims 17, 36, 36, 52; Fig. 8, “Inventory and Profit Data” for distributor). Hence, it is obvious that product sales can come from inventory or excess inventory. One would be motivated to do this to sell what is available or what is overly available.

Hence, the prior art renders obvious a method for the purchase and sale of products that distributes a manufacturer incentive solely to the manufacturer of a product as a result of a third sale transaction.

Also, in regards to the negative feature limitation, “wherein the first purchaser, seller and purchaser do not receive an incentive from the third sale transaction”. Hisamatsu discloses awarding the manufacturer and awarding the retailer as separate steps s13 and s16 respectively (Fig. 9). And, MPEP 2144.04.II states that "Elimination of a step or an element and its function" is obvious. Hence, it is obvious that independent step s16 can be eliminated while step s13 kept (Fig. 9). Hence, it is obvious that he manufacturer can have profits awarded back to it but not a retailer. One would be motivated to do this because eliminating a step is an obvious modification (MPEP 2144.04.II).

Hence, the prior art renders obvious the features above.

1. Regarding claim 11, Sullivan et al. teaches that the database server stores multiple promotions for products. (Sullivan et al., Detailed Description, [0072], [0079]).

2. Regarding claim 24 and 25, Sullivan et al. that the system determines which incentive to apply to the product. (Sullivan et al., Detailed Description, [0087]).

3. Regarding claim 12 and 26, Sullivan et al. teaches that the amount paid to the manufacturer is based on the sale of a product. (Sullivan et al., Summary of the Invention, [0021]).

4. Regarding claims 27-28, Sullivan et al. teaches of a similar method of adjusting the promotion. (Sullivan et al., Detailed Description, [0086], [0093]).

5. Regarding claim 2, 16, 30, and 37, applicant teaches that the incentive is a percentage of a purchase price of the purchased product. Regarding claim 3, 17, 32, and 39, applicant teaches that the incentive is a percentage of profit from the sale. Regarding claims 34 and 41, applicant teaches that the incentive is a "fixed fee." Regarding claims 35 and 42, applicant teaches that the incentive is a "discount." Sullivan et al. teaches of a method whereby a retailer sells a manufacturers product. (Sullivan et al., Summary of the Invention, [0021]). Sullivan et al. teaches that the retailer pays the manufacturer after the product is sold. (*Id.*, *see also* Dictionary.com for consignment).

Sullivan et al. does not explicitly teach how the manufacturer is paid, however, OFFICIAL NOTICE is taken that percentage or profit, revenue, discounts, and fixed fees are common methods for paying manufacturers and retailers. For example, in the franchising industry (such as Subway, McDonalds, etc.), the franchisee pays the franchisor a percentage of the total revenues or a percentage of the profit that they make. In the newspaper industry, a paperboy pays the newspaper company a fixed fee for each individual newspaper that is sold. In the auto-industry, a dealership pays the car manufacturer a flat predetermined "sticker-fee". In the soft-drink beverage industry, discounts are provided based on volume purchased. Therefore, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to choose from any of these well-known methods of compensation. One would have been motivated to use these methods based on the product they were selling and the relationship with the manufacturer.

6. Regarding claims 4-9 and 18-23, which introduce that the incentive is computed based on product attributes (Claims 4 and 18) such as "product category" (Claims 5 and 19), "product name" (Claims 6 and 20), "product family" (Claims 7 and 21), "equivalent product" (Claims 8 and 22), and "product date code" (Claims 9 and 23). Sullivan et al. does not teach explicitly teach such data content. Sullivan teaches of individual promotions based on products (including product name) (Abstract), product family (Sullivan et al., Detailed Description, [0078]) and product UPC (*Id.*). (Examiner notes that product UPC entails a number of different product categories). However these differences are only found in the nonfunctional descriptive material and are not functionally involved in the method (or structurally programmed) steps recited. The steps would be performed the same regardless of data content. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of Patentability, see In re Gulack, 703 F.2d 1381, 217 USPQ 401, 404 (Fed. Cir. 1983); In re Lowry, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994).

Therefore, it would have been obvious to one of ordinary skill at the time of the invention to select from a variety of different product attributes. Such data content does not functionally relate to the steps and the subjective interpretation of the data content does not patentably distinguish the claimed invention.

7. Claims 31, 33, 38, and 40 are rejected under 35 U.S.C. 103(a) as being unpatentable over Sullivan et al. (US 2001/0018665 A1) in view of Mitchell (7,496,525) in view of Hisamatsu (20020007328) in view of Woolston (US 5,845,265).

8. Regarding claims 31 and 38, applicant teaches that the percentage of revenue is calculated on the purchase price set by auction. Sullivan et al. teaches of selling products where the retailer pays the manufacturer. (Sullivan et al., Summary of Invention, [0021]).

Sullivan et al. does not explicitly teach of selling the products in an auction. Woolston teaches of selling products in an auction by whereby the payment is made after the auction. Woolston gives an example whereby the amount paid is the percentage of sales price (ie. 6% in the baseball card example). (Woolston, Col 4, Lines 10-37). Therefore, it would have been obvious to one of ordinary skill, at the time of the invention, to sell the products in an auction and pay a percentage of the sales price. One would have been motivated to so because an auction, like a retailer outlet, is a common method for selling products.

9. Regarding claims 33 and 40, applicant further teaches that the percentage of profit is calculated on the purchase price set by auction. Woolston does not explicitly teach that the amount paid is a percentage of the profit. OFFICIAL NOTICE is taken that percentage of profit is a common method for paying manufacturers and retailers. See ¶ 11 above for rejection.

Response to Arguments

10. Applicant's arguments have been considered but are moot in view of the new grounds of rejection above. Note the addition of Hisamatsu to the 103 rejection above and also the additional citations to Mitchell. Also note the following.

On 5/11/10, Applicant added the following new features to the independent claims:

"determining the product was purchased in a second sale transaction between the first purchaser and the seller, wherein the first purchaser is not also the manufacturer of the purchased product and wherein the purchased product is excess inventory to the first purchaser;...

distributing the manufacturer incentive solely to the manufacturer, wherein the manufacturer incentive is distributed as a result of the third sale transaction, wherein the first purchaser, seller and purchaser do not receive an incentive from the third sale transaction.".

On page 8 of Applicant Remarks dated 5/11/10, Applicant states that the prior art does not render obvious, "a method for the purchase and sale of products that distributes a manufacturer incentive solely to the manufacturer of a product as a result of a third sale transaction."

Sullivan does not explicitly disclose three sale transactions. However, Sullivan discloses manufacturers, distributors, retailers, and consumers ([2, 45]). And, Mitchell discloses manufacturer, distributor, retailer and consumer and that sales occur between each level down to the end consumer (Figs. 1, 5, 4, 7). Hence, there are three sales transactions in Mitchell (from manufacturer to distributor then distributor to retailer then retailer to end consumer). Hence, it is obvious that sales can occur between the different parties Sullivan discloses such that there are three sales transactions. One

would be motivated to do this to take better advantage of separate roles with the common supply chain of manufacturer, distributor, retailer, consumer.

Sullivan does not explicitly disclose a manufacturer incentive or incentive going to the manufacturer. However, credit in Mitchell going back to the manufacturer after a sale (Fig. 9) functions as a manufacturer incentive. As a further example of this, Hisamatsu discloses excess profits after successful sales being reward back to the manufacturer (Fig. 9; Fig. 9, items s9, s13, s15; [85, 93,14,16]). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to add sharing excess profits back to the manufacturer as a manufacturer incentive. One would have been motivated to do this in order to better incite the manufacturer to make products that are successfully sold.

Sullivan does not explicitly disclose inventory or excess inventory. However, Mitchell discloses sales (as shown above) and tracking inventory at different levels including the distributor level (claims 17, 36, 36, 52; Fig. 8, "Inventory and Profit Data" for distributor). Hence, it is obvious that product sales can come from inventory or excess inventory. One would be motivated to do this to sell what is available or what is overly available.

Hence, the prior art renders obvious a method for the purchase and sale of products that distributes a manufacturer incentive solely to the manufacturer of a product as a result of a third sale transaction.

Also, in regards to the negative feature limitation, "wherein the first purchaser, seller and purchaser do not receive an incentive from the third sale transaction".

Hisamatsu discloses awarding the manufacturer and awarding the retailer as separate steps s13 and s16 respectively (Fig. 9). And, MPEP 2144.04.II states that "Elimination of a step or an element and its function" is obvious. Hence, it is obvious that independent step s16 can be eliminated while step s13 kept (Fig. 9). Hence, it is obvious that he manufacturer can have profits awarded back to it but not a retailer. One would be motivated to do this because eliminating a step is an obvious modification (MPEP 2144.04.II).

Hence, the prior art renders obvious the features above.

Conclusion

The following prior art made of record and not relied upon is considered pertinent to applicant's disclosure:

Aa) of Voltmer (2002/0143626) discloses many relevant features, see action dated 1/11/10;

a) Senghore (US 20070198354A1) discloses relevant features; Haines (US 20030033211A1) discloses relevant features ([10, 57, 60, 95]); Hisamatsu (20020007328) discloses relevant features ([85,93]).

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Arthur Duran whose telephone number is (571)272-6718. The examiner can normally be reached on Mon- Fri, 8:00-4:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber can be reached on (571) 272-6724. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

Arthur Duran
Primary Examiner
Art Unit 3622

/Arthur Duran/

Primary Examiner, Art Unit 3622

5/19/2010